



Testimony Statement for Joint Legislative Hearing Regarding the Executive Budget Proposals Impacting Health Care and Medicaid

Apicha Community Health Center
Thursday, February 25, 9:30 am

Apicha Community Health Center strongly urges you to reject Part C of the Article VII Health and Mental Hygiene Executive Budget. The proposal, which establishes a \$102 million fund for 340B providers under the drug carve-out, is not a workable solution. To protect safety net providers and the communities they serve please reject the drug carve-out in its entirety and include, in your one house budget, the Gottfried/Rivera bill that exempts 340B covered entities and HIV Special Needs Plans (SNPs) from the carve-out for three years (A1671A/S2520).

The carve-out would strip millions of dollars in annual 340B savings away safety-net providers across New York State, like Apicha. This action drastically impacts the services that are currently available to medically underserved New Yorkers by undermining the fiscal stability of critical community providers; thereby, devastating the New York State safety-net system that is essential to addressing longstanding health inequities.

While the Department of Health has stated the carve-out will achieve \$87M in State savings in FY22, it will likely result in an approximately \$250M annual loss to the most vulnerable healthcare providers in the State:

- FQHCs, alone, stand to lose a collective \$100M per year.
- A survey of just 15 FQHCs and Ryan White clinics that provide HIV prevention and care found they would lose at least \$56M annually
- A small subset of hospitals reported that they would lose an additional \$87M in the first year.

Apicha, formerly Asian Pacific Islander Coalition on HIV/AIDS, began 30 years ago as a grassroots advocacy organization fighting for resources to address the unmet HIV/AIDS needs in the Asian and Pacific Islander communities of New York City. We transformed into a Federally Qualified Health Center five years ago. It was a journey of survival and determination. Through this journey, Apicha created an inclusive mission that committed the health center to improving the health of the community while maintaining focus on populations who faced tremendous barriers to care such as Asian and Pacific Islanders, LGBTQ, People Living with HIV/AIDS and immigrants from communities of color.

Apicha's Federally Qualified Health Center recognition allows access to federal funds for long-term sustainability. It expanded its patient base and began to develop an organizational infrastructure to support a health center. The expansion of our 340B program has allowed Apicha to continue and strengthen its primary care and support services to some of New York City's most vulnerable residents. Over 64% of our patients are low-income. The vast majority are from communities of color. Over 70% identify as LGBT. Twenty percent are living with HIV.



Like many other organizations like us, our ability to provide services to these communities will be undermined should there be a drastic reduction in savings from the 340B program. This program has provided access to quality care, especially affordable drugs for some of the most marginalized people living with HIV/AIDS, those who are at high risk of contracting the virus, and people living with other chronic conditions.

The financial benefits of the 340B program help not only with the access to prescriptions, but in providing preventive interventions and strategies to uninsured and under-insured persons with chronic disease and co-morbidities. Our services for those populations would not be fiscally sustainable if the State diverts Medicaid 340B funds away from safety net 340B providers. To put into perspective the impact of this issue for Apicha, statewide twelve and a half percent of all 340B patients are uninsured or under-insured. At Apicha CHC 17.8% of our patients are uninsured or under-insured.

The services supported by the 340B program are critical to reducing the persistent health disparities experienced by Apicha's patients who otherwise may have barriers to care due to their race, ethnicity, gender identity, sexual orientation, and citizenship status. These are the same New Yorkers have been most affected by COVID-19 and who rely on services from safety net providers.

The COVID-19 pandemic is not the time to limit these communities' access to health care. Apicha strongly believes it is essentially to reject the "carve-out" for safety net providers participating in the 340B drug discount program. Preventing implementation at this time is a necessary first step. For these reasons, we wholly rejecting Part C of the Article VII Health and Mental Hygiene Executive Budget and delaying it being enacted by supporting the Gottfried/Rivera bill that exempts 340B covered entities and HIV Special Needs Plans (SNPs) from the carve-out for three years (A1671A/S2520).